

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2008-16-C - ORDER NO. 2008-345

MAY 7, 2008

IN RE: Application of Kentucky Data Link, Inc. for)	ORDER GRANTING
a Certificate of Public Convenience and)	CERTIFICATE AND
Necessity to Provide Resold and Facilities-)	APPROVING FLEXIBLE
Based Local Exchange and Interexchange)	AND MODIFIED
Telecommunications)	ALTERNATIVE
Services Throughout the State of South)	REGULATION
Carolina)	
)	
)	

This matter comes before the Public Service Commission of South Carolina (“Commission”) by way of the Application of Kentucky Data Link, Inc. (“KDL” or the “Company”) requesting a Certificate of Public Convenience and Necessity authorizing it to provide resold and facilities-based local exchange and interexchange telecommunications services within the State of South Carolina. The Company’s Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 2007) and the rules and regulations of the Commission. By its Application, KDL also requests flexible regulation of its local exchange service offerings pursuant to Order No. 98-165 in Docket No. 1997-467-C, alternative regulation of its business interexchange services consistent with Commission Orders, and waiver of certain Commission regulations.

The Commission’s Docketing Department instructed KDL to publish, one time, a Notice of Filing in newspapers of general circulation in the areas of the state affected by the Application. The purpose of the Notice of Filing was to inform interested parties of

the Application of KDL and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. KDL complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was filed by the South Carolina Telephone Coalition (“SCTC”). Subsequent to the intervention, KDL and SCTC reached a Stipulation, attached hereto as Order Exhibit 1.

Subsequently, KDL and ORS filed a Settlement Agreement attached hereto as Order Exhibit 2. A hearing was convened on April 14, 2008, at 10:00 a.m. in the offices of the Commission in Columbia, South Carolina, before David Butler, Hearing Examiner. KDL was represented by John J. Pringle, Jr., Esquire. The Office of Regulatory Staff (“ORS”) was represented by C. Lessie Hammonds, Esquire. The South Carolina Telephone Coalition did not appear at the hearing.

John H. Weber, Chief Financial Officer for the Company, adopted the prefiled written testimony of John C. Greenbank, and testified in support of the Company’s Application. The record reveals that KDL is a corporation organized under the laws of Kentucky, and that it is registered to transact business in South Carolina. According to Mr. Weber, the Company seeks authority as a facilities-based provider and reseller of local services and interexchange services. The Company also intends to provide carrier’s carrier services. KDL will install some facilities in South Carolina in order to provide its services. Mr. Weber explained the Company’s request for authority, and the record further reveals the Company’s services, operations, and marketing procedures. The Company intends to primarily offer services to business customers, although it may offer

some services to residential customers as well. Mr. Weber also discussed KDL's technical, financial, and managerial resources to provide the services for which it seeks authority. Mr. Weber offered that KDL possesses sufficient financial resources to support its operations in South Carolina.

With regard to management and technical capabilities, the Company's Application and Mr. Weber's testimony both evidence that KDL's management has extensive experience in telecommunications, information technology, regulatory matters, and accounting and finance. Mr. Weber also testified that KDL will operate in accordance with Commission rules, regulations, guidelines, and Commission Orders. Mr. Weber offered that approval of KDL's Application would serve the public interest.

Mr. Weber, on behalf of the Company, requests a waiver of 26 S.C. Code Ann. Regs. 103-610, since the Company's books are maintained in Kansas. Further, the Company requests an exemption from record keeping policies that require maintenance of financial records in conformance with the Uniform System of Accounts ("USOA"). KDL maintains its books in accordance with Generally Accepted Accounting Principles ("GAAP"). In addition, the Company requests that it not be required to publish local exchange directories and that it not be required to issue area maps, and therefore requests waivers of 26 S.C. Code Ann. Regs. 103-631 and 103-612.2.3, respectively.

After consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. KDL is organized as a corporation under the laws of the State of Kentucky, and is authorized to do business in South Carolina.

2. KDL desires to operate as a provider of facilities-based and resold local and interexchange services in South Carolina.

3. We find that KDL possesses the managerial experience and capability to operate as a provider, on a facilities-basis and through resale, of local services and interexchange services in South Carolina.

4. We find, based on the financial statements submitted by the Company and the testimony at the hearing, that KDL possesses sufficient financial resources to provide the services as described in its Application and testimony.

5. We find that the issuance of a Certificate of Public Convenience and Necessity to KDL to operate on a facilities basis and as a reseller of local exchange telecommunications and interexchange services in South Carolina would be in the best interest of the citizens of South Carolina by providing more innovative services.

6. KDL requests a waiver of 26 S.C. Code Ann. Regs. 103-610. The Commission finds KDL's requested waiver reasonable and understands the potential difficulty presented to KDL should the waiver not be granted. Further, we find that a waiver of 26 S.C. Code Ann. Regs. 103-610 to be in the public interest. We also believe that exemption from the policies that would require the Company to keep its records under the USOA is reasonable. Additionally we find that waivers of 26 S.C. Code Ann. Regs. 103-631 and 103-612.2.3 are reasonable and in the public interest.

7. The Company has the managerial, technical, and financial resources to provide the services as described in its Application. S.C. Code Ann. Section 58-9-280 (B) (1) (Supp. 2007).

8. The Commission finds that the Company's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. Section 58-9-280 (B) (3) (Supp. 2007).

9. The Commission finds that the Company will support universally available telephone service at affordable rates. S.C. Code Ann. Section 58-9-280 (B) (4) (Supp. 2007).

10. The Commission finds that services to be provided by the Company will meet the service standards of the Commission. S.C. Code Ann. Section 58-9-280 (B) (2) (Supp. 2007).

11. The Commission finds that the provision of local exchange service by the Company "does not otherwise adversely impact the public interest." S.C. Code Ann. Section 58-9-280(B)(5) (Supp. 2007).

12. Following execution of a Stipulation with intervenor South Carolina Telephone Coalition ("SCTC"), the SCTC withdrew its opposition to the Application.

CONCLUSIONS OF LAW

1. The Commission concludes that KDL possesses the managerial, technical, and financial resources to provide the telecommunications services as described in its Application.

2. The Commission concludes that KDL will participate in the support of universally available telephone service at affordable rates to the extent that KDL may be required to do so by the Commission.

3. The Commission concludes that KDL will provide services which will meet the service standards of the Commission.

4. The Commission concludes that approval of KDL's Application to provide intrastate telecommunications services within South Carolina will serve the public interest by providing for efficient use of existing telecommunications resources.

5. The Commission concludes that the provision of telecommunications service by KDL will not adversely impact the public interest.

6. The Commission concludes that the issuance of the authority to provide intrastate local exchange and interexchange telecommunications services as requested by KDL and as set forth in its Application and Mr. Weber's testimony is in the best interests of the citizens of the State of South Carolina.

7. The Commission concludes that a Certificate of Public Convenience and Necessity should be granted to KDL to provide resold intrastate local exchange telecommunications services and intrastate interexchange telecommunications services.

8. The Commission adopts a rate design for KDL for its residential interexchange services which include maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. *In Re: Application*

of *GTE Sprint Communications Corporation, etc.*, Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

9 KDL shall not adjust its residential interexchange rates for end-users below the approved maximum level without notice to the Commission and to the public. KDL shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. *In Re: Application of GTE Sprint Communications, etc.*, Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for residential interexchange services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp.2006).

10. The Commission concludes that KDL's intrastate interexchange business telecommunications services shall be regulated in accordance with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. The Commission has previously granted this "alternative regulation" to competitive intrastate interexchange carriers operating within South Carolina, and the Commission concludes that the competitive marketplace requires the Commission to allow this flexible regulation to those carriers

which request it. Specifically, the Commission-approved alternative regulation allows business service offerings, including consumer card services, operator services, and private line services to be subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C.

However, pursuant to Order No. 2001-997 (Docket No. 2000-407-C), this Commission has modified alternative regulation by the re-imposition of rate caps with regard to certain “operator-assisted calls” where a customer uses a local exchange carrier’s calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing.

If an investigation of a particular tariff filing is instituted within seven days of the filing date, the tariff filing will then be suspended until further Order of the Commission. If an investigation is instituted on a particular tariff filing, notice of the investigation will be provided to the person or entity making the tariff filing and to the Commission. The notice is timely if dated within seven days of the filing date.

11. The Commission concludes the Company’s local exchange telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C. Specifically, the Commission adopts for

the Company's competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels approved by the Commission. Further, the Company's local exchange service tariff filings are presumed valid upon filing. An investigation of the tariff filing may be instituted within 30 days of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. If an investigation is instituted on a particular tariff filing, notice of the investigation will be provided to the person or entity making the tariff filing and to the Commission. The notice is timely if dated within thirty days of the filing date. Further, any such tariff filings will be subject to the same monitoring process as similarly situated local exchange carriers.

12. We conclude that KDL's request for waiver of 26 S.C. Code Ann. Regs. 103-610 should be granted as strict compliance with the regulation would potentially cause undue hardship on that Company. We also grant exemption from the policies requiring the use of USOA. In addition, we grant waivers of 26 S.C. Code Ann. Regs. 103-631 and 103-612.2.3.

13. The Stipulation and Settlement Agreement between the various parties should be approved.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

1. A Certificate of Public Convenience and Necessity should be granted to KDL to provide intrastate interexchange services as a facilities-based carrier and through the resale of services authorized for resale by tariffs of carriers approved by the Commission, as well as to provide facilities-based and resold local exchange

telecommunications services within the State of South Carolina.

2. The Company's rate designs for its products shall conform to those designs described in Conclusions of Law above.

3. If it has not already done so by the date of issuance of this Order, KDL shall file its revised tariff, if any, and an accompanying price list for any applicable rates within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations, as well as the provisions of the KDL-ORS Settlement Agreement.

4. The Company's service is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers and facilities-based interexchange carriers should be treated similarly.

5. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

6. KDL shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If KDL changes underlying carriers, it shall notify the Commission in writing.

7. With regard to the origination and termination of toll calls within the same LATA, KDL shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the FCC pursuant to

the Telecommunications Act of 1996 (See, 47 CFR 51.209). Specifically, KDL shall comply with the imputation standard as adopted by Order No. 93-462 and more fully described in paragraph 4 of the Stipulation and Appendix B approved by Order No. 93-462.

8. KDL shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, KDL shall keep financial records on an intrastate basis for South Carolina to comply with the annual report and gross receipts filings. The proper form for filing annual financial information can be found at the Commission's website at the ORS's website at www.regulatorystaff.sc.gov. The title of this form is "Telecommunications Company Annual Report." This form shall be utilized by the Company to file annual financial information with the Commission and ORS and shall be filed no later than **April 1st**.

Commission gross receipts forms are due to be filed with the Commission and ORS no later than **August 31st** of each year. The proper form for filing gross receipts information can be found at the ORS website at www.regulatorystaff.sc.gov, and the appropriate form is entitled "Gross Receipts Form."

Each telecommunications company certified in South Carolina is required to file annually with the ORS the Intrastate Universal Service Fund ("USF") worksheet, which may be found on the ORS's website at www.regulatorystaff.sc.gov. This worksheet provides ORS information required to determine each telecommunications company's liability to the State USF fund. The Intrastate USF worksheet is due to be filed annually

no later than **July 1st** with the USF administrator as required by the Commission's USF Administrative Guidelines.

9. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests, and repairs. In addition, the Company shall provide to the Commission and ORS in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. KDL shall file the names, addresses, and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The "Authorized Utility Representative Information" form can be found at the Commission's website at www.psc.sc.gov/forms.asp; this form shall be utilized for the provision of this information to the Commission and ORS. Further, the Company shall promptly notify the Commission and ORS in writing if the representatives are replaced.

10. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

11. KDL requested a waiver of 26 Code Ann. Regs. 103-610 (Supp. 2006), which requires that records required by the Commission's Rules and Regulations be maintained in South Carolina. The Commission finds KDL's requested waiver reasonable and understands the potential difficulty presented to KDL should the waiver not be granted. The Commission therefore grants the requested waiver. However, KDL shall make available its books and records at all reasonable times upon request by the Office of

Regulatory Staff, and KDL shall promptly notify the Commission and ORS if the location of its books and records changes. Waivers of S.C. Code Ann. Regs. 103-631 and 103-612.2.3 (Supp. 2007) are also granted.

12. KDL also requests that it be exempt from record keeping policies that require a carrier to maintain its financial records in conformance with the Uniform System of Accounts. The USOA was developed by the FCC as a means of regulating telecommunications companies subject to rate base regulation. As a competitive carrier, KDL maintains its book of accounts in accordance with Generally Accepted Accounting Principles. GAAP is used extensively by interexchange carriers and other competitive telecommunications carriers. Accordingly, KDL requests an exemption from the USOA requirements. We grant the Company's request for the reasons stated above.

13. Should KDL offer or provide any service that would implicate Title 23, Chapter 47 of the South Carolina Code Annotated regarding "Public Safety Communications Centers," KDL is required to comply with that Title and Chapter, which is more commonly known as a "911" system or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs KDL to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating, should it provide any service that would implicate the Title and Chapter stated above. Contact with the appropriate 911 service authorities is to be made before beginning such local telephone service in South Carolina. Accompanying this Order is a

memorandum from the State 911 Office of the Office of Research & Statistics of the South Carolina Budget and Control Board. This memorandum provides information about contacting County 911 Coordinators. By this Order and prior to providing local telephone services in South Carolina, KDL shall contact the 911 coordinator in each county (and city where the city has its own 911 system) and shall provide information regarding the Company's operations as required by the 911 system.

14. The Stipulation and Settlement Agreement between the various parties are hereby approved.

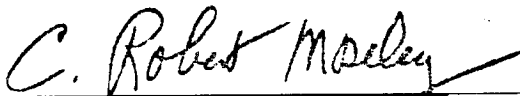
15. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



G. O'Neal Hamilton, Chairman

ATTEST:



C. Robert Moseley, Vice Chairman

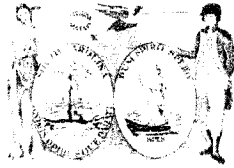
(SEAL)

STATE OF SOUTH CAROLINA
State Budget and Control Board
OFFICE OF RESEARCH & STATISTICS

MARK SANFORD, CHAIRMAN
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CHAIRMAN, SENATE FINANCE COMMITTEE

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REMBERT C. DENNIS BUILDING
1000 ASSEMBLY STREET, SUITE 425
COLUMBIA, SOUTH CAROLINA 29201

Bobby Bowers
DIRECTOR

August 2, 2004

To: Telephone Companies New to South Carolina

In an effort to continue providing quality emergency services to the citizens of South Carolina, the State 911 Office requests that before beginning telephone services in a county, you contact the 911 Coordinator in that county. This will allow both parties to obtain important information about providing 911 services in that county. If you have already begun services, then contact the coordinator as soon as possible.

A list of County 911 Coordinators can be found on the South Carolina E911 homepage at www.ors.state.sc.us/digital/E-911.ASP. If you have any questions related to 911 in South Carolina, you may contact E911 Coordinations at the Office of Research and Statistics at 803-734-3883. The person responsible for this can also be found on the 911 homepage. Please be aware that some cities may have their own E911 systems, these are also listed on the 911 homepage. These city coordinators will need to be contacted in addition to the county coordinators.

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

Docket No. 2008-16-C

RECEIVED
2008 APR - 1 AM 9:17
SC PUBLIC SERVICE
COMMISSION

Re: Application of Kentucky Data Link, Inc., for)
a Certificate of Public Convenience and)
Necessity to Provide Resold and Facilities-based)
Local Exchange and Interexchange Telecommu-)
nications Services in the State of South Carolina)
_____)

STIPULATION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Kentucky Data Link, Inc. ("Kentucky Data Link") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose Kentucky Data Link's Application. SCTC and Kentucky Data Link stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Kentucky Data Link, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.
2. Kentucky Data Link stipulates and agrees that any Certificate which may be granted will authorize Kentucky Data Link to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.
3. Kentucky Data Link stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.
4. Kentucky Data Link stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until Kentucky Data Link provides such rural incumbent LEC and the Commission with

written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Kentucky Data Link acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Kentucky Data Link stipulates and agrees that, if Kentucky Data Link gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then Kentucky Data Link will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. Kentucky Data Link acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and Kentucky Data Link, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

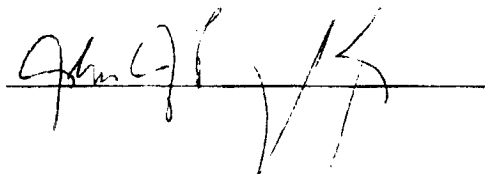
8. Kentucky Data Link agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

9. Kentucky Data Link hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

10. Notwithstanding any provision contained herein, the terms, conditions and limitations of the Stipulation apply only in those instances where a rural telephone company's federal rural exemption under 47 U.S.C. § 251(f)(1) is implicated.

AGREED AND STIPULATED to this 31st day of March 2008.

Kentucky Data Link, LLC:



South Carolina Telephone Coalition:



M. John Bowen, Jr.
Margaret M. Fox
McNAIR LAW FIRM, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
(803) 799-9800

Attorneys for the South Carolina Telephone
Coalition

ATTACHMENT A

South Carolina Telephone Coalition Member Companies
for Purposes of Local Service Stipulation

Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Home Telephone Company, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2008-16-C

In Re:)	
Application of Kentucky Data Link, Inc.)	
for a Certificate of Public Convenience)	
and Necessity to Provide Resold and)	SETTLEMENT AGREEMENT
Facilities-Based Local Exchange and)	
Interexchange Telecommunications)	
Services in the State of South Carolina)	

This Settlement Agreement ("Settlement Agreement") is made by and among the Office of Regulatory Staff ("ORS") and Kentucky Data Link, Inc. ("Kentucky Data Link" or "the Company") (collectively referred to as the "Parties" or sometimes individually as "Party");

WHEREAS, on January 11, 2008, Kentucky Data Link filed its Application requesting (i) a Certificate of Public Convenience and Necessity be granted authorizing Kentucky Data Link to provide resold and facilities-based local exchange and interexchange telecommunications services throughout the State of South Carolina; (ii) alternative regulation of its interexchange services, pursuant to S.C. Code Ann. § 58-9-585; (iii) flexible regulation for its local exchange telecommunications services consistent with Order No. 98-165 in Docket No. 97-467-C; (iv) waiver of certain regulations of the Public Service Commission of South Carolina ("Commission"), specifically Regulations 103-610 regarding location of records, 103-612.2.3 for operating maps and 103-631 concerning publishing and distributing local exchange directories; and (v) a waiver of any requirement to maintain financial records in conformance with the Uniform System of Accounts ("ASOA");

WHEREAS on January 14, 2008, the Commission issued a Notice of Filing and Hearing and established a return date of February 14, 2008 , for the filing of letters of protest or petitions to intervene and established a hearing date of April 14, 2008 for the application to be heard before a hearing examiner;

WHEREAS, on February 14, 2008, the South Carolina Telephone Coalition ("SCTC") filed a Petition to Intervene in this docket;

WHEREAS, on January 28, 2008, the Commission issued its Order No. 2008-52 by which the Commission appointed David Butler, Esquire as the Hearing Examiner in this matter;

WHEREAS, on April 1, 2008, the SCTC filed with the Commission a Stipulation between the SCTC and Kentucky Data Link;

WHEREAS, on March 3, 2008, Kentucky Data Link pre-filed the direct testimony of John C. Greenbank with the Commission;

WHEREAS, the purpose of this proceeding is to review the application filed by Kentucky Data Link and its requests (i) for a Certificate of Public Convenience and Necessity to provide facilities-based and resold local exchange and interexchange telecommunications services within the State of South Carolina; (ii) for alternative regulation of its interexchange services (iii) for flexible regulation for its local exchange telecommunications services (iv) for waiver of certain of the Commission Regulations, specifically Regulations 103-610 regarding location of records, 103-612.2.3 for operating maps and 103-631 concerning publishing and distributing local exchange directories; and (v) for waiver of any requirement to maintain financial records in conformance with the USOA;

WHEREAS, since the filing of the notice, ORS has conducted a review of the technical, managerial, and financial expertise of Kentucky Data Link to provide the services requested in the Application;

WHEREAS, ORS has reviewed the Application and the financial data provided by Kentucky Data Link, and ORS has calculated certain performance ratios based upon information provided by the Kentucky Data Link;

WHEREAS, ORS has investigated the services to be offered by Kentucky Data Link and its intended customer service plans;

WHEREAS, ORS has reviewed the proposed tariffs submitted by Kentucky Data Link;

WHEREAS, ORS has reviewed the pre-filed testimony of John C. Greenbank;

WHEREAS, as a result of its investigations, ORS has determined (a) Kentucky Data Link intends to offer resold and facilities-based local and long-distance telecommunications services, and will provide leased capacity, private line, and dedicated local transport; (b) the officers of Kentucky Data Link possess sufficient technical and managerial abilities to adequately provide the services applied for; (c) based upon the information provided and the analysis performed, Kentucky Data Link appears to have access to sufficient financial resources necessary to provide the services proposed in its application; (d) Kentucky Data Link's proposed tariffs with the amendments as agreed to in this Settlement Agreement comply with Commission statutes and regulations; (e) the provision of services by Kentucky Data Link will not adversely impact the availability of affordable telecommunications services; (f) to the extent it is required to do so by the Commission, Kentucky Data Link will participate in the support of universally available telephone service at affordable rates; and (g) the provision of local exchange and interexchange services by Kentucky Data Link will not adversely impact the public interest;

WHEREAS, to ensure compliance with the Commission's statutes and regulations, the Parties have agreed to the following comprehensive settlement of all issues in this docket;

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions:

- 1) The Parties agree that Kentucky Data Link's Application and exhibits to the Application are incorporated into this Settlement Agreement and made a part hereof;
- 2) The Parties agree to stipulate into the record before the Commission this Settlement Agreement. The Parties also agree to stipulate to the pre-filed testimony of Kentucky Data Link's witness John C. Greenbank without cross-examination by ORS;
- 3) Kentucky Data Link has submitted financial data, which was provided as Exhibit 4 to Kentucky Data Link's Application and which was granted Protective Treatment by Commission Hearing Examiner Directive dated February 8, 2008 and which financial data is incorporated by reference;
- 4) The Parties agree that Kentucky Data Link should be granted a Certificate of Public Convenience and Necessity to provide facilities-based and resold local exchange and interexchange telecommunications services within the state of South Carolina;
- 5) Kentucky Data Link has requested a waiver of 26 S.C. Code Ann. Regulation 103-610 concerning the location of books and records. However, S.C. Code Ann. §58-9-380 (Supp. 2006) provides that:

Each telephone utility shall have an office in one of the counties of this State in which its property or some part thereof is located and shall keep in such office all such books, accounts, papers and records as shall reasonably be required by the Office of Regulatory Staff. No books, accounts, papers or records required by the ORS to be kept within the State shall be removed at any time from the State except upon such conditions as may be prescribed by the Office of Regulatory Staff.

ORS is agreeable to allowing Kentucky Data Link to maintain its books and records outside of the State of South Carolina in exchange for Kentucky Data Link agreeing to provide ORS access to its books and records. ORS is agreeable to Kentucky Data Link maintaining its books and records at its offices in the State of Kansas, and Kentucky Data Link agrees to notify ORS of any change in the location of the principal office or in the location where the books and records are maintained. This provision of the Settlement Agreement shall not be construed as a waiver by ORS of S.C. Code Ann. § 58-4-55 (Supp. 2006) or § 58-9-1070 (Supp. 2006). ORS expressly reserves its rights to require the production of books, records and other information located within or outside of the State of South Carolina in order to carry out its duties in compliance with any state or federal regulation;

6) ORS does not oppose Kentucky Data Link's request for waiver of 26 S.C. Code Ann. Regulation 103-631 which requires the publication and distribution of directories, and Kentucky Data Link agrees to make arrangements with publishers of local directories in South Carolina to include the names and telephone numbers of Kentucky Data Link's subscribers and customers in local directories, unless a subscriber indicates his/her desire for an unpublished telephone number;

7) Kentucky Data Link has requested a waiver of any rule or regulation that might require a carrier to maintain its financial records in conformance with the Uniform System of Accounts ("USOA"). Kentucky Data Link acknowledges that S.C. Code Ann. § 58-9-340 (Supp. 2006) provides that the ORS may, in its discretion and subject to the approval of the Commission, prescribe systems of accounts to be kept by telephone utilities subject to the commission's jurisdiction and that the ORS may prescribe the manner in which the accounts shall be kept and may require every telephone utility to keep its books, papers, and records

accurately and faithfully according to the system of accounts as prescribed by the ORS. Kentucky Data Link agrees to keep its books, papers, and records in such a manner that permits ORS to audit its revenues and expenses for compliance with programs such as but not limited to the Universal Service Fund ("USF") and the Interim LEC Fund, dual party relay service fund, and gross receipts. Kentucky Data Link agrees to complete the reporting forms for such programs as may be required by the ORS of telecommunications companies certificated to operate within South Carolina and as the reporting forms may be amended from time to time;

8) ORS does not oppose the Company's request for waiver of 26 S.C. Code Ann. Regulation 103-612.2.3 which requires the filing of operating area maps;

9) ORS does not oppose Kentucky Data Link's requests (a) for flexible regulation for its local telecommunications service offerings consistent with Order No. 98-165 in Docket No. 97-467-C, such flexible regulation including specifically (i) adoption of a competitive rate structure incorporating maximum rate levels with the flexibility for rate adjustment below the maximum rate levels and (ii) presumptively valid tariff filings upon filing subject to an investigation of such tariff filing being instituted within thirty (30) days and (b) for alternative regulation of its interexchange service offerings consistent with the procedures described and set forth in Orders 95-1734 and 96-55 in Docket No. 96-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C, specifically (i) regulation of these services listed above in the same manner as these services are regulated of AT&T Communications of the Southern States, Inc., (ii) removal of the maximum rate tariff requirements for Kentucky Data Link's business services, private line, and customer network-type offerings, except in instances governed by Order No. 2001-997 which reinstituted maximum rates for surcharges and rates associated with certain intrastate operator-assisted calls; (iii) presumptively valid tariff filings for these interexchange

services unless an investigation of a particular filing is instituted within seven (7) days, in which case the tariff filing will be suspended until resolution of the investigation or until further order of the Commission; and (iv) grant Kentucky Data Link the same treatment as AT&T Communications of the Southern States, Inc. in connection with any future relaxation of reporting requirements;

10) Kentucky Data Link agrees to resell the services only of those local exchange providers or interexchange carriers authorized to do business in South Carolina by the Commission;

11) Kentucky Data Link agrees that it will allow an end-user of resold services to access an alternative interexchange carrier or operator service provider if the end-user expresses such a desire;

12) Kentucky Data Link agrees to file necessary financial information with the Commission and ORS for universal service fund reporting, dual party relay service fund reporting, interim LEC fund reporting, annual reporting, gross receipts reporting, and/or any other reporting which may now or in the future be applicable to telecommunications providers such as Kentucky Data Link. The Parties agree that such reports shall be filed pursuant to ORS' instructions and monies shall be remitted in accordance with the directions of the ORS and the Commission.

13) Kentucky Data Link agrees to maintain its books and records in a manner that would permit ORS to examine any of Kentucky Data Link's reports filed with the Commission and provided to ORS.

14) Kentucky Data Link agrees to file with the Commission and ORS a completed authorized utility representative forms within thirty (30) days of the Commission's order.

15) In the event that Kentucky Data Link offers prepaid calling card services in the future, Kentucky Data Link agrees that it shall obtain Commission approval and post a surety bond in the amount of \$5,000 as required by the Commission;

16) In the event that Kentucky Data Link offers local and long distance services to end users, Kentucky Data Link agrees to comply with the verification regulations governing change of preferred carriers as established by Federal Communications Commission ("FCC"). In addition, in the event that Kentucky Data Link offers local and long distance services to end users, Kentucky Data Link agrees to comply with the marketing practices and guidelines established by the Commission in Order No. 95-658;

17) Kentucky Data Link agrees to comply with South Carolina Code Section § 58-9-300 entitled "Abandonment of Service." Additionally, to the extent applicable, Kentucky Data Link agrees to adhere to the FCC's rule 47 C.F.R. § 64.1190 and 64.1130 regarding preferred carrier freezes and the requirement that the form of the written authorization for the institution of the freeze be a separate or easily separable document. Prior to abandonment of service, Kentucky Data Link shall remove any preferred carrier freeze so as to enable consumers to seamlessly transfer their telephone numbers to another provider;

18) To the extent necessary, Kentucky Data Link agrees to engage in good faith negotiations with non-BellSouth incumbent local exchange carriers whose networks interconnect with BellSouth at the same local tandem regarding traffic exchange;

19) It is understood and agreed that Kentucky Data Link will not initially offer or provide any service that would implicate Title 23, Chapter 47 of the South Carolina Code Annotated regarding "Public Safety Communications Centers," but in the event that Kentucky Data Link in the future offers or provides a service to which Title 23, Chapter 47 of the South

Carolina Code regarding "Public Safety Communications Centers," also known as 911 services, Kentucky Data Link agrees to comply with Title 23, Chapter 47 of the South Carolina Code Annotated, which governs the establishment and implementation of a "Public Safety Communications Center," also known as 911 services." At that time, Kentucky Data Link agrees to contact the appropriate authorities regarding 911 services in the counties and cities where Kentucky Data Link will be operating prior to initiating local service in South Carolina and shall provide the 911 coordinator in each county and/or city with information regarding Kentucky Data Link's operations. Attached as Exhibit 1 to this Settlement Agreement is a memorandum from the State 911 Office which provides contact information for the County 911 Coordinators;

20) Kentucky Data Link agrees to comply with all rules and regulations of the Commission unless the Commission has expressly waived such rule or regulation;

21) Kentucky Data Link agrees to file a final revised tariff with both the ORS and the Commission and the revised tariff shall reflect and be in accordance with ORS' recommendations as set forth in the summary attached as Exhibit 2 to this Settlement Agreement.

22) ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10 (B). S.C. Code § 58-4-10(B)(1) through (3) read in part as follows:

... 'public interest' means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and

(3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the Settlement Agreement reached among the Parties serves the public interest as defined above;

23) The Parties agree to advocate that the Commission accept and approve this Settlement Agreement in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and that the Commission take no action inconsistent with its adoption. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Settlement Agreement and the terms and conditions contained herein.

24) The Parties agree that signing this Settlement Agreement will not constrain, inhibit, impair or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the Commission declines to approve the Settlement Agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement in its entirety without penalty or obligation.

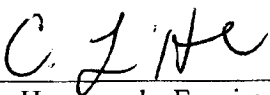
25) This Settlement Agreement shall be interpreted according to South Carolina law.

26) The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Settlement Agreement by affixing its signature or by authorizing counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email

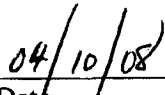
signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement. The Parties agree that in the event any Party should fail to indicate its consent to this Settlement Agreement and the terms contained herein, then this Settlement Agreement shall be null and void and will not be binding on any Party.

WE AGREE:

Representing the Office of Regulatory Staff



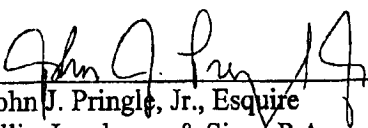
C. Lessie Hammonds, Esquire
Office of Regulatory Staff
1441 Main Street, Suite 300
Columbia, SC 29201
Telephone: (803) 737-0803
Fax: (803) 737-0895
Email: lhammon@regstaff.sc.gov



Date

WE AGREE:

Representing Kentucky Data Link, Inc.



John J. Pringle, Jr., Esquire
Ellis, Lawhorne & Sims P.A.
1501 Main Street
Post Office Box 2285
Columbia, SC 29202
Telephone: (803) 343-1270
Fax: (803) 799-8479
jpringle@ellislawhorne.com

4/10/08

Date

EXHIBIT 1

STATE OF SOUTH CAROLINA
State Budget and Control Board
OFFICE OF RESEARCH & STATISTICS

MARK SANFORD, CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

RICHARD ECKSTROM
COMPTROLLER GENERAL



HUGH K. LEATHERMAN, SR.
CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT W. HARRELL, JR.
CHAIRMAN, WAYS AND MEANS COMMITTEE

FRANK W. FUSCO
EXECUTIVE DIRECTOR

REMBERT C. DENNIS BUILDING
1000 ASSEMBLY STREET, SUITE 425
COLUMBIA, SOUTH CAROLINA 29201

Bobby Bowers
DIRECTOR

August 2, 2004

To: Telephone Companies New to South Carolina

In an effort to continue providing quality emergency services to the citizens of South Carolina, the State 911 Office requests that before beginning telephone services in a county, you contact the 911 Coordinator in that county. This will allow both parties to obtain important information about providing 911 services in that county. If you have already begun services, then contact the coordinator as soon as possible.

A list of County 911 Coordinators can be found on the South Carolina E911 homepage at www.ors.state.sc.us/digital/E-911.ASP. If you have any questions related to 911 in South Carolina, you may contact E911 Coordinations at the Office of Research and Statistics at 803-734-3883. The person responsible for this can also be found on the 911 homepage. Please be aware that some cities may have their own E911 systems, these are also listed on the 911 homepage. These city coordinators will need to be contacted in addition to the county coordinators.

ECONOMIC RESEARCH
WILLIAM GILLESPIE
(803) 734-3805

GEODETIC SURVEY
5 GEOLOGY ROAD
COLUMBIA, S.C. 29210
LEWIS LAPINE
(803) 896-7700

DIGITAL CARTOGRAPHY
(803) 734-3802

HEALTH & DEMOGRAPHICS
STATISTICS
1919 BLANDING STREET
COLUMBIA, S.C. 29201
WALTER P. BAILEY, M.P.H.
(803) 898-9941

Exhibit 2**Recommendations for Kentucky Data Link, Inc. South Carolina Tariff No. 1
Local Exchange Services**

Original Page 1—The Company should include a contact phone number or e-mail address (adding number or email to the footer will be sufficient)

Original Page 2—The Check Sheet shows pages 1-57. However, there are 59 pages in the Local Exchange Services Tariff.

Section 1

--There are no recommended changes for Section 1.

Section 2—Definitions

Original Page 7—The Company should add the following language to the end of the definition for “ICB or Individual Case Basis”—“All ICB’s will be made available to the ORS upon request.”

Original Page 7—The Company should add the following definition—“ORS The South Carolina Office of Regulatory Staff.”

Section 3—Application of Tariff

--There are no recommended changes for Section 3.

Section 4—Regulations

Original Page 10 4.1.4.C—The Company should add the following language to the end of the paragraph—“All adjustment in Customer billing will conform to SC Reg. 103-622.”

Original Page 21 4.5.2.A—The Company should delete the paragraph and replace with language that conforms to SC Reg. 103-621. Sample Language is as follows—
“The Company may require from any customer or prospective customer, a deposit intended to guarantee payment of bills for regulated service if any of the following conditions exist: 1) the customer has had two 30-day arrearages in the past 24 months, or the customer has been sent two or more late payment notices in the past 9 months; or 2) A new customer cannot furnish either an acceptable co-signor or guarantor who is a customer of the utility with the State of South Carolina to guarantee payment; or 3) the customer’s gross monthly billing increases; or 4) A customer has had his service terminated by any telephone utility for non-payment or fraudulent use; or 5) the utility determines, through use of commercially acceptable methods, that the customer’s credit

and financial condition so warrants. For a new customer, a maximum deposit may be required up to an amount equal to an estimated two (2) months (60 days) total bill (including toll and taxes). For an existing customer, a maximum deposit may be required up to an amount equal to the total actual bills of the highest two (2) consecutive months within the preceding six (6) months."

Original Page 22 4.5.2.D—The Company should modify the paragraph to conform to SC Reg 103-621.3. **Sample Language is as follows**—"Interest on the deposit shall be accrued annually and payment of such interest shall be made to the customer at least every two (2) years and at the time the deposit is returned. If the Company does not return a Customer's deposit after twelve (12) months, the Company shall provide the Customer with the reasons the deposit is being retained if the Customer so requests."

Original Page 23 4.5.2.E—The Company should delete in its entirety letter "E".

Original Page 24 4.5.2.I—The Company should include the following language at the end of the paragraph—"All adjustment of customer billing will conform to SC Reg. 103-623."

Original Page 25 4.6.1.A—The Company should add the following language to the end of the paragraph—"All such charges will appear as separate line items on the customer's bill."

Original Page 26 4.6.2.F—The Company should modify the sentence as follows—"The Customer will be assessed a charge for each check that is submitted by the Customer to the Company that a financial institution refuses to honor. Such charge will be no more than allowed by SC Code Ann. 34-11-70."

Original Page 29 4.6.3.D.2—The Company should modify complaint address as follows—

South Carolina Office of Regulatory Staff
Consumer Services Division
1441 Main Street, Suite 300
Columbia, SC 29201
(803) 737-5230
1-800-922-1531 (toll free)

Original Page 30 4.6.4.A.1—The Company should modify the paragraph as follows—"For failure of the Customer to pay a bill for Company service when due. Service will be terminated only Monday through Thursday between the hours of 8:00 am and 4:00 pm, unless provisions have been made to have someone available to accept payment and reconnect service." (SC Reg 103-633).

Section 5—Service Descriptions

Original Page 48 5.3.11—The Company includes the following language in this paragraph—“This package is available for all customers who reside in one of the exchanges listed in Section 5.10.”—The Company does not include a Section 5.10 in this tariff.

Original Page 50 5.4.4—The last paragraph should be modified as follows—“In these cases, the Customer will be billed additional charges computed on an ICB. Any Special Service Arrangements between the Customer and the Company will be provided to the ORS upon request.”

Original Page 52 5.7.1—The Company should modify the paragraph to reflect that Special Pricing arrangements need not be filed with the Commission but are made available to the ORS upon request.

Original Page 52 5.8.1—The Company should add the following language to the end of the sentence—“All such taxes will appear as separate line items on the customer’s bill.”

Original Page 53 5.9—The Company should modify the paragraph as follows—“Such promotional service offerings will be filed with the Commission for approval with copies provided to the ORS, subject to the requirements of applicable law.”

Section 6—Rates and Charges

Original Page 56 6.5.1.1—The Company should include maximum as well as current rates for Local Distribution Channel and Interoffice Channel (both for Monthly and NRC).

Original Page 56 6.5.1.2—The Company should include maximum as well as current rates for Local Distribution Channel, Multiplexing Mux Ports, and Interoffice Channel (both for Monthly and NRC).

Original Page 59 6.5.3.2—The Company should include maximum as well as current rates for Premier Business Package (for 12 month, 24 month, and NRC)

Additional Recommendations for Local Exchange Tariff

- 1) The Company should include language as it relates to Marketing Practices (SC PSC Order 95-658).

As a telephone utility under the regulation of the Public Service Commission of South Carolina, the Company hereby asserts and affirms that as a reseller of intrastate telecommunications service, the Company will not indulge or participate in deceptive or misleading telecommunications marketing practices to the detriment of consumers in

South Carolina, and the Company will comply with those marketing procedures, in any, set forth by the Public Service Commission. Additionally, the Company will be responsible for the marketing practices of its contracted telemarketers for compliance with this provision. The Company understands that violation of this provision could result in a rule to Show Cause as to the withdrawal of its certification to complete intrastate telecommunications traffic within the state of South Carolina. (Commission Order 95-658)

- 2) If the Company charges any installation, connection, or maintenance charges, termination charges, etc. (in addition to the services listed in the tariff). These additional charges and the descriptions of the charges should be listed in the tariff with their current and maximum rates.
- 3) The Company is applying for Flexible Regulation. Therefore, The Company will include maximum rates as well as current rates for all services within the Local Exchange Tariff that are not exclusively ICB.
- 4) The Company should also provide tariffs and tariff revisions to the South Carolina Public Service Commission as well as the South Carolina Office of Regulatory Staff (SC Reg. 103-629).

Recommendations for Kentucky Data Link, Inc. South Carolina Tariff No. 2
Interexchange Services

Original Page 1—The Company should include a contact phone number or e-mail address (adding number or email to the footer will be sufficient)

Original Page 2—The Check Sheet shows pages 1-57. However, there are only 54 pages in the Interexchange Services Tariff.

Section 1

--There are no recommended changes for Section 1.

Section 2—Definitions

Original Page 7—The Company should add the following language to the end of the definition for “ICB or Individual Case Basis”—“All ICB’s will be made available to the ORS upon request.”

Original Page 7—The Company should add the following definition—“ORS The South Carolina Office of Regulatory Staff.”

Section 3—Application of Tariff

--There are no recommended changes for Section 3.

Section 4—Regulations

Original Page 10 4.1.4.C—The Company should add the following language to the end of the paragraph—“All adjustment in Customer billing will conform to SC Reg. 103-622.”

Original Page 21 4.5.2.A—The Company should delete the paragraph and replace with language that conforms to SC Reg. 103-621. Sample Language is as follows—
“The Company may require from any customer or prospective customer, a deposit intended to guarantee payment of bills for regulated service if any of the following conditions exist: 1) the customer has had two 30-day arrearages in the past 24 months, or the customer has been sent two or more late payment notices in the past 9 months; or 2) A new customer cannot furnish either an acceptable co-signor or guarantor who is a customer of the utility with the State of South Carolina to guarantee payment; or 3) the customer’s gross monthly billing increases; or 4) A customer has had his service terminated by any telephone utility for non-payment or fraudulent use; or 5) the utility determines, through use of commercially acceptable methods, that the customer’s credit and financial condition so warrants. For a new customer, a maximum deposit may be required up to an amount equal to an estimated two (2) months (60 days) total bill (including toll and taxes). For an existing customer, a maximum deposit may be required up to an amount equal to the total actual bills of the highest two (2) consecutive months within the preceding six (6) months.”

Original Page 22 4.5.2.D—The Company should modify the paragraph to conform to SC Reg 103-621.3. Sample Language is as follows—“Interest on the deposit shall be accrued annually and payment of such interest shall be made to the customer at least every two (2) years and at the time the deposit is returned. If the Company does not return a Customer’s deposit after twelve (12) months, the Company shall provide the Customer with the reasons the deposit is being retained if the Customer so requests.”

Original Page 23 4.5.2.E—The Company should delete in its entirety letter “E”.

Original Page 24 4.5.2.I—The Company should include the following language at the end of the paragraph—“All adjustment of customer billing will conform to SC Reg. 103-623.”

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Original Page 26 4.6.2.F—The Company should modify the sentence as follows—
“The Customer will be assessed a charge for each check that is submitted by the Customer to the Company that a financial institution refuses to honor. Such charge will be no more than allowed by SC Code Ann. 34-11-70.”

Original Page 29 4.6.3.D.2—The Company should modify complaint address as follows—

South Carolina Office of Regulatory Staff
Consumer Services Division
1441 Main Street, Suite 300
Columbia, SC 29201
(803) 737-5230
1-800-922-1531 (toll free)

Original Page 30 4.6.4.A.1—The Company should modify the paragraph as follows—“For failure of the Customer to pay a bill for Company service when due. Service will be terminated only Monday through Thursday between the hours of 8:00 am and 4:00 pm, unless provisions have been made to have someone available to accept payment and reconnect service.” (SC Reg 103-633).

Section 5—Service Descriptions

Original Page 49 5.4.4—The last paragraph should be modified as follows—“In these cases, the Customer will be billed additional charges computed on an ICB. Any Special Service Arrangements between the Customer and the Company will be provided to the ORS upon request.”

Original Page 51 5.7.1—The Company should modify the paragraph to reflect that Special Pricing arrangements need not be filed with the Commission but are made available to the ORS upon request.

Original Page 51 5.8.1—The Company should add the following language to the end of the sentence—“All such taxes will appear as separate line items on the customer’s bill.”

Original Page 52 5.9—The Company should modify the paragraph as follows—“Such promotional service offerings will be filed with the Commission for approval with copies provided to the ORS, subject to the requirements of applicable law.”

Section 6—Rates and Charges

--The Company should include rates for services described in the tariff. The Interexchange Tariff submitted to the PSC contains no rates.

Additional Recommendations for Local Exchange Tariff

1) The Company should include language as it relates to Marketing Practices (SC PSC Order 95-658).

As a telephone utility under the regulation of the Public Service Commission of South Carolina, the Company hereby asserts and affirms that as a reseller of intrastate telecommunications service, the Company will not indulge or participate in deceptive or misleading telecommunications marketing practices to the detriment of consumers in South Carolina, and the Company will comply with those marketing procedures, in any, set forth by the Public Service Commission. Additionally, the Company will be responsible for the marketing practices of its contracted telemarketers for compliance with this provision. The Company understands that violation of this provision could result in a rule to Show Cause as to the withdrawal of its certification to complete intrastate telecommunications traffic within the state of South Carolina. (Commission Order 95-658)

- 5) If the Company charges any installation, connection, or maintenance charges, termination charges, etc. (in addition to the services listed in the tariff). These additional charges and the descriptions of the charges should be listed in the tariff with their current and maximum rates.
- 6) The Company is applying for Alternative Regulation. Therefore, The Company will include maximum rates as well as current rates for any *residential* services within the Interexchange Tariff.
- 7) The Company should also provide tariffs and tariff revisions to the South Carolina Public Service Commission as well as the South Carolina Office of Regulatory Staff (SC Reg. 103-629).